RICHEMONT

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

15 JULY 2022

RICHEMONT ANNOUNCES DOUBLE-DIGIT SALES GROWTH FOR THE FIRST QUARTER ENDED 30 JUNE 2022

Highlights

- Positive start to the financial year with double-digit sales growth both at actual exchange rates (+20%) and constant exchange rates (+12%)
- Strong performance driven by higher sales in Europe, Americas, Japan and the Middle East and Africa more than offsetting lower sales in Asia Pacific; the US, Richemont's largest single market for the quarter, comprising 22% of Group sales
- Growth led by retail, now accounting for 58% of Group sales compared to 55% in the prior year period
- Sales growth across all channels and business areas, both at constant and actual exchange rates:
  - *Jewellery Maisons* delivering sales growth of 20% at actual exchange rates (+12% at constant rates)
  - *Specialist Watchmakers* growing by 18% at actual exchange rates (+10% at constant rates)
  - *Online Distributors* increasing by 8% at actual exchange rates (+2% at constant rates)
  - *Other* business area progressing strongly by 36% at actual exchange rates (+28% at constant rates)

April-June	**2022**	2021	% change 2022 vs 2021	
	€m	€m	constant rates	actual rates
By region				
Europe	**1 290**	905	+42%	+43%
Asia Pacific	**1 780**	1 933	-15%	-8%
Americas	**1 344**	955	+25%	+41%
Japan	**421**	240	+83%	+75%
Middle East and Africa	**429**	364	+6%	+18%
By distribution channel				
Retail	**3 051**	2 421	+18%	+26%
Online retail	**910**	809	+5%	+12%
Wholesale & royalty income	**1 303**	1 167	+4%	+12%
By business area				
Jewellery Maisons	**3 015**	2 515	+12%	+20%
Specialist Watchmakers	**1 002**	849	+10%	+18%
Online Distributors	**691**	637	+2%	+8%
Other	**600**	440	+28%	+36%
Inter-segment eliminations	**-44**	-44	-6%	-
Total	**5 264**	4 397	+12%	+20%

Review of trading in the three-month period ended 30 June 2022 versus the prior year, at constant exchange rates

All channels and business areas, as well as most regions, generated sales growth versus the prior year period notwithstanding an uncertain environment and demanding comparatives following a 129% sales rebound in the prior year comparable period.

The 12% sales growth delivered in the quarter ended June 2022 was driven by strong double-digit increases in Europe, the Americas and Japan. Sales in **Europe** grew by 42% sustained by robust domestic demand and a return in tourist spending, primarily from American and Middle Eastern clients. Growth was strong across markets, particularly in France where sales increased by triple digits. In Asia Pacific, the strict enforcement of a zero covid policy led to double-digit sales declines in mainland China and Macau SAR (China) and to a single-digit sales reduction in Hong Kong SAR (China). Sales in mainland China were 37% lower for the quarter, although the rate of decline softened to 12% in June when restrictions were progressively eased. The solid momentum across most other Asian markets, notably in Australia, Singapore, South Korea and Thailand, partially mitigated the decline of sales in the region, with sales in **Asia Pacific** overall contracting by 15%. In the **Americas**, sales rose by 25% notwithstanding demanding comparatives against the prior year period, driven by strong domestic spending. As a result, for the quarter the US was Richemont's largest single market, accounting for 22% of Group sales. **Japan** posted the strongest regional performance with an 83% growth in sales, supported by strong local demand. Sales in the **Middle East and Africa** increased by 6% on demanding comparatives, reflecting solid domestic and tourist spending, notably in Dubai and Qatar.

All channels recorded sales growth, with retail posting the strongest relative channel performance. **Retail** sales rose by 18%, driven by double-digit increases across all business areas, and noteworthy performances in Europe, the Americas and Japan. **Online retail sales** increased by 5%, reflecting muted sales progression at the Group's Online Distributors and strong growth at our Jewellery Maisons and Specialist Watchmakers. Direct sales to clients for the Group as a whole represented 75% of Group sales, a circa 200-basis points increase over the prior year period. Sales in the **wholesale** channel increased by 4% as higher sales at our Other business area more than offset lower wholesale sales at our Jewellery Maisons and Specialist Watchmakers which were impacted by ongoing Covid-related restrictions in China.

Despite the disruption experienced in China, the **Jewellery Maisons** generated a 12% sales growth benefitting from thriving retail sales and solid jewellery and watch sales at Buccellati, Cartier and Van Cleef & Arpels. Sales progressed in all regions and channels, excluding Asia Pacific and wholesale. The **Specialist Watchmakers**' sales increased by 10%, driven by online and offline retail sales, which together contributed to 53% of the business area sales. Growth was achieved in most Maisons and regions with an ongoing outperformance of A. Lange & Söhne, Panerai and Vacheron Constantin. The Group's **Online Distributors** recorded a 2% sales progression and continue their shift towards a hybrid business model. The Group's **Other** business area, mostly composed of our Fashion & Accessories Maisons, posted the strongest sales increase at +28%, supported by strong retail and wholesale sales with sustained demand across most Maisons and regions. Peter Millar continued to deliver a robust performance while Delvaux posted a strong contribution, and the renewed creativity supported by new designers at Alaïa, Chloé and Montblanc positively impacted sales.

The Group's net cash position at 30 June 2022 was € 5.4 billion (2021: € 3.6 billion), reflecting the quarter's strong trading as well as replenishment of inventories.

Corporate calendar

The annual general meeting will be held on Wednesday 7 September 2022 in Geneva. The interim results for the current financial year will be announced on Friday 11 November 2022.

About Richemont

At Richemont, we craft the future. Our unique portfolio includes prestigious Maisons distinguished by their craftsmanship and creativity, alongside Online Distributors that cultivate expert curation and technological innovation to deliver the highest standards of service. Richemont's ambition is to nurture its Maisons and businesses and enable them to grow and prosper in a responsible, sustainable manner over the long term.

Richemont operates in four business areas: **Jewellery Maisons** with Buccellati, Cartier and Van Cleef & Arpels; **Specialist Watchmakers** with A. Lange & Söhne, Baume & Mercier, IWC Schaffhausen, Jaeger-LeCoultre, Panerai, Piaget, Roger Dubuis and Vacheron Constantin; **Online Distributors** with Watchfinder & Co., NET-A-PORTER, MR PORTER, THE OUTNET, YOOX and the OFS division; and **Other**, primarily Fashion & Accessories Maisons with Alaïa, AZ Factory, Chloé, Delvaux, dunhill, Montblanc, Peter Millar including G/FORE, Purdey and Serapian. Find out more at www.richemont.com.

Richemont 'A' shares are listed on the SIX Swiss Exchange, Richemont's primary listing, and are included in the Swiss Market Index ('SMI') of leading stocks. Richemont South African Depository Receipts are listed in Johannesburg, Richemont's secondary listing.

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Disclaimer

The financial information contained in this announcement is unaudited.
This document contains forward-looking statements as that term is defined in the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Richemont's forward-looking statements are based on management's current expectations and assumptions regarding the Company's business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. Our retail stores are heavily dependent on the ability and desire of consumers to travel and shop and a decline in consumer traffic could have a negative effect on our comparable store sales and/or average sales per square foot and store profitability resulting in impairment charges, which could have a material adverse effect on our business, results of operations and financial condition. Reduced travel resulting from economic conditions, retail store closure orders of civil authorities, travel restrictions, travel concerns and other circumstances, including disease

epidemics and other health-related concerns, could have a material adverse effect on us, particularly if such events impact our customers' desire to travel to our retail stores. International conflicts or wars, including resulting sanctions and restrictions on importation and exportation of finished products and/or raw materials, whether self-imposed or imposed by international countries, non-state entities or others, may also impact these forward-looking statements. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside the Group's control. Richemont does not undertake to update, nor does it have any obligation to provide updates of, or to revise, any forward-looking statements.

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Appendix 1: Foreign exchange rates

Average exchange rates against the euro	**April-June 2022**	April-June 2021
United States dollar	**1.06**	1.21
Japanese yen	**138**	132
Swiss franc	**1.03**	1.10
Renminbi	**7.03**	7.78

Actual exchange rates for the period are calculated using the average daily closing rates against the euro.

In terms of sales at constant exchange rates, average exchange rates for the year ended 31 March 2022 are used to convert local currency sales into euros for all presented periods. Exchange rate translation effects are thereby eliminated from the reported sales performance.